

Taxpayer Problem Resolution
Officer Report
For the Year Ended
December 31, 2013

March 2014

City of Tempe Internal Audit Office

City Auditor: Barbara Blue, CIA Auditor: Keith Smith, CPA

Introduction

In accordance with Chapter 16, Section 16-515 of the Tempe City Code, the Taxpayer Problem Resolution Officer is responsible for performing an annual survey of Tempe privilege tax licensees to determine their satisfaction with the City's Tax Collector and to respond to complaints of improper, abusive or inefficient services. The City's tax collection responsibilities are assigned to the Tax and License Division of the Finance and Technology Department. The City Auditor serves as the Taxpayer Problem Resolution Officer.

This report summarizes the results of surveys and Taxpayer Problem Resolution Officer activity for the calendar year ended December 31, 2013.

Survey Process

Surveys were distributed to 2 groups of taxpayers: new licensees and auditees. Based on lack of response in previous years, surveys were not distributed to the general taxpayer population this year. The following table details the level of responses:

Taxpayer Group	Surveys Returned					
	2010	2011	2012	2013		
New Licensee	242	109	253	283		
Auditees	49	44	46	30		
General Population	24	16	9	N/A		
Total	315	169	308	313		

We asked taxpayers to:

- Respond to specific questions regarding the services provided by the Tax and License Division:
- Rate the quality of service provided by City staff; and
- Provide comments or suggestions for improvement.

In addition to eliminating the general population survey, we also made one other change in the auditee survey process for 2013. For those auditees whose e-mail addresses were on file with the Tax and License Division, we e-mailed a webpage link for the taxpayer to respond to an online survey. Overall, we e-mailed 70 surveys to auditees and mailed 76 surveys. Seventeen of the 30 auditees' responses were received via the on-line survey. This process results in savings on postage costs for both mail distribution to survey recipients and return postage on responses.

In order to increase the efficiency of the survey process and further reduce postage costs in the future, we will be changing the new licensee survey process in 2014. Rather than mail a survey to each new licensee, we will be surveying a random sample of new licensees each quarter. We will be emailing a survey link to those new licensees whose email addresses are on file and mailing surveys to the remaining sample. We anticipate a potential significant reduction in postage costs and possibly an increase in the response rate.

Survey Results

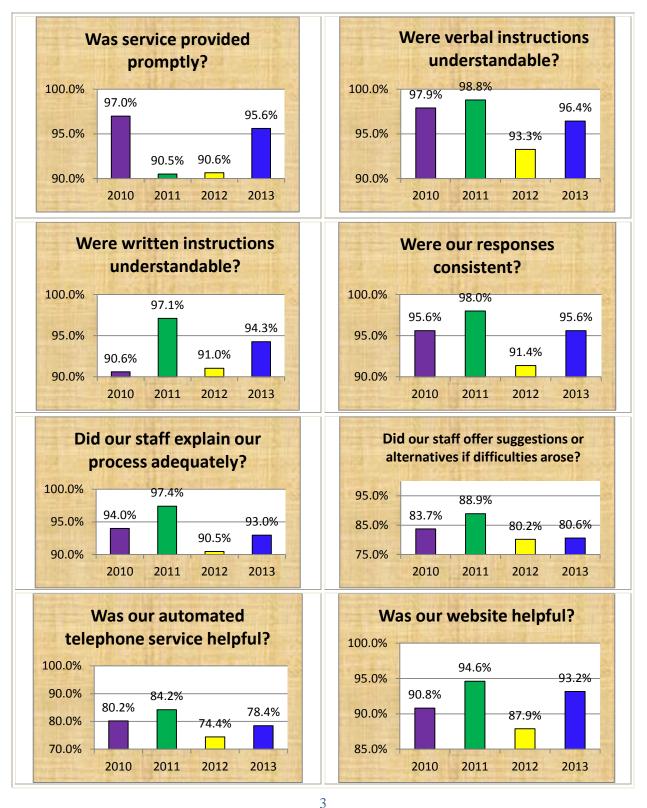
New Licensees

Surveys are sent to all new licensees by the Tax & License Division and returned directly to the Internal Audit Office. Overall, the results indicate new licensees are satisfied with the quality of service provided by the Sales Tax Licensing Staff. As detailed in Table 1 and illustrated in the graphs on page 3, satisfaction levels increased in all areas when compared to 2012.

Table 1- New Licensees' Satisfaction

Question	2010	2011	2012	2013
Was service provided promptly?	97.0%	90.5%	90.6%	95.6%
Were verbal instructions understandable?	97.9%	98.8%	93.3%	96.4%
Were written instructions understandable?	90.6%	97.1%	91.0%	94.3%
Were our responses consistent?	95.6%	98.0%	91.4%	95.6%
Did our staff explain our process adequately?	94.0%	97.4%	90.5%	93.0%
Did our staff offer suggestions of alternatives if difficulties arose?	83.7%	88.9%	80.2%	80.6%
Was our automated telephone service helpful?	80.2%	84.2%	74.4%	78.4%
Was our website helpful?	90.8%	94.6%	87.9%	93.2%

Graphs - New Licensees' Satisfaction



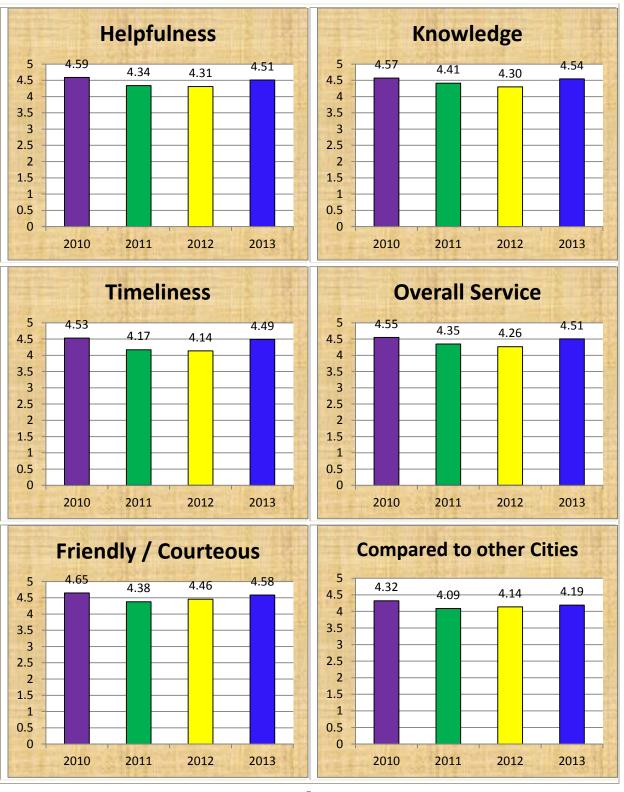
2013

As detailed in Table 2 below and illustrated in the graphs on page 5, there was an increase in Quality of Service satisfaction in all six areas over the prior year:

Table 2 - New Licensee Quality of Service

Sales Tax Licensing Staff Service Quality	2010	2011	2012	2013
Helpfulness	4.59	4.34	4.31	4.51
Knowledge	4.57	4.41	4.30	4.54
Timeliness	4.53	4.17	4.14	4.49
Overall Service	4.55	4.35	4.26	4.51
Friendly / Courteous	4.65	4.38	4.46	4.58
Compared to Other Cities	4.32	4.09	4.14	4.19

Graphs - New Licensee Quality of Service



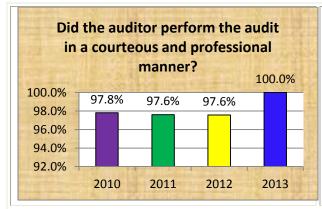
Auditees

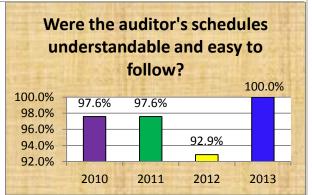
The Internal Audit Office surveyed all taxpayers who were audited during calendar year 2013. A total of 146 surveys were sent; 30 or 20.5% were returned (return rates were 25% in 2012, 23.7% in 2011 and 21.4% in 2010). Overall, respondents expressed a high level of satisfaction with both the audit/review process. As detailed in Table 3 and illustrated in the graphs on page 7, satisfaction levels increased in seven of eight categories from the prior year.

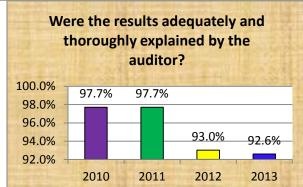
Table 3- Auditees' Satisfaction

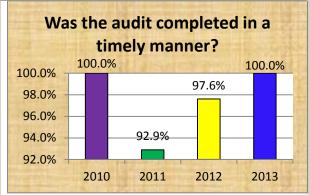
Question	2010	2011	2012	2013
Did the auditor perform the audit in a courteous and professional manner?	97.8%	97.6%	97.6%	100%
Were the auditor's schedules understandable and easy to follow?	97.6%	97.6%	92.9%	100%
Were the results adequately and thoroughly explained by the auditor?	97.7%	97.7%	93.0%	92.6%
Was the audit completed in a timely manner?	100%	92.9%	97.6%	100%
Did the auditor minimize any disruption to your operations?	97.4%	95.0%	90.0%	95.7%
Were you given sufficient time to respond?	97.8%	97.7%	90.9%	93.1%
Were the auditor's questions & information requests reasonable and pertinent?	95.7%	95.5%	93.2%	100%
Did the auditor adequately explain the purpose of the audit?	97.7%	100%	95.5%	96.6%

Graphs - Auditees' Satisfaction

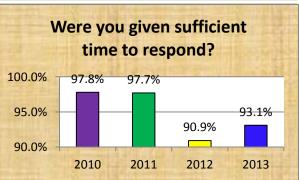


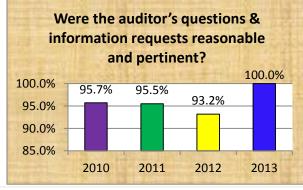


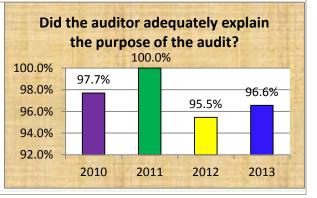










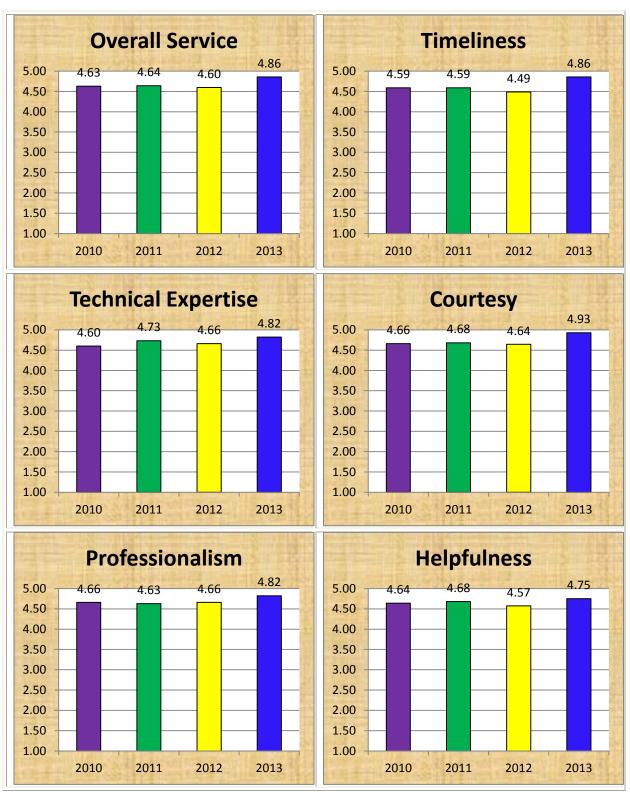


The quality of service satisfaction was high in all categories; ratings were up from the prior year in all categories. As detailed in Table 4 and illustrated in the graphs on page 9, 2013 ratings exceeded those in 2010-2012 in all areas.

Table 4- Auditees' Quality of Service

Sales Tax Audit Staff Service Quality	2010	2011	2012	2013
Overall Service	4.63	4.64	4.60	4.86
Timeliness	4.59	4.59	4.49	4.86
Technical Expertise	4.60	4.73	4.66	4.82
Courtesy	4.66	4.68	4.64	4.93
Professionalism	4.66	4.63	4.66	4.82
Helpfulness	4.64	4.68	4.57	4.75

Graphs - Auditees' Quality of Service



Taxpayer Comments and Suggestions

We also included comments and suggestions submitted by taxpayers on the survey forms in Appendix I of this report. We found no comments that would warrant action by the City Auditor, serving as the Taxpayer Problem Resolution Officer. Any significant issues raised in the comments were immediately addressed with the Tax and License division management. Names of City staff members have been redacted from the Appendix in this report, but were revealed to Department and Division management.

Annual Report

The City's tax code also provides for a report to the Mayor and City Council outlining any complaints received by the Taxpayer Problem Resolution Officer of improper, abusive, or inefficient service by the Tax Collector. There were two complaints presented to the Taxpayer Problem Resolution Officer during calendar year ended December 31, 2013. Both were satisfactorily resolved.